INTELLIGENCE REPORT

DATE: COUNTRY China INFO. 25X1 SUBJECT Economic Information: Purchasing Activities of DIST. January 1948 Torgpredstvo, Shanghai MTELLOFAX 13 PAGES 1 SUPPLEMENT ORIGIN 25X1 25X1 EVALUATION OF SOURC AAF JUSTICE R&E CAD 25X1 25X1

the Shanghal Torgpredstvo Office received permission from the Chinese Government to exp:rt 2,000 tons of black tea per year from China to the USSR. On the strength of this, the Torgpredstvo Office instructed Exportkhleb to purchase 3,000 cases of tea at public auctions on 30 October 1947. The price of the tea was not to exceed CNC \$16,000 per catty. At the same time the Moscow Narodny Bank was instructed to pay US \$50,000 to Exportkhleb for the purchase of the tea.

25X1 2. the Torgpredstvo Office pyrchased from the Chinese Trust

Company 30,000 pounds of black Keemun tea at CNC \$14,000 per pound. The tea is

presently reported to be in a godown of the Commercial Express and Storage

Company awaiting shipment via first space available to the Soviet Union.

3. The Commercial Express and Storage Company is also holding for the Torgpredstvo Office 40,000 square feet of leather (cali leather for uppers) purchased from the Cosmopolitan Company.

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50, U.S.C. 31 and 32 as amended. Its transmission or the revolution of its contents in any manner to an unauthorized person is prohibited by law.

CONFIDENTIAL

Document No. Of Art F (in class.)

Auth. S. C. Auth. Date: 26

CLASSIFICATION

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intolligence to the Archivist of the Unifed States.

Next Review Date: 2008

CONFIDENTIAL